

11 OCT 1977

MEMORANDUM FOR: Chief, Physical Security Division

STATINTL FROM:

[REDACTED]
Chief, Industrial Security Branch

STATINTL SUBJECT:

STATINTL 1. I feel that the following items should be omitted from the captioned subject. They are; the fact that [REDACTED] does not conduct a badge check of employees when leaving our facilities and the fact that it does not conduct a package inspection for security purposes (other than for theft that is). I do not think these should be included in the report because as of the time of the audit this Agency did not have a security policy regarding the conduct of package inspections or exit badge checks. Therefore, these, in my opinion, are not relevant. ① ②

2. On the other hand, if we feel that we should have a policy concerning package inspections and badge checks, then this is something we (ISB) can develop and require Agency contracting officers to implement when appropriate.

STATINTL 3. Unfortunately, the [REDACTED] Industrial Security Manual
STATINTL does require security violations to be reported to Head-
STATINTL quarters. In the case of [REDACTED] the company was not
reporting security violations (discrepancies) of a non-
compromising nature. However, it is my understanding from [REDACTED] that this procedure was agreed to by this Agency and was so written into the contract. In effect, therefore, the company received a waiver from the contracting officer. I think the fact should be reported just that way. If the OS now feels that no such waiver should be granted and all violations, whether compromising or not should be reported, then this is another policy that can be developed by the ISB; coordinated and implemented. I do not feel that the company can be held responsible for this procedure nor should the Admiral be given the impression that they were delinquent, as they were not. ③

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STATINTL 5. No reference will be made to the fact that [REDACTED] does not have an ACM Program.

6. The aforementioned is the way I intend the [REDACTED] report to be prepared. Since it is a departure from what has been done in the past, I wanted to bring it to your attention now in case you have any disagreement with it.

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cc [REDACTED]

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